

Center City Development Corporation Board Meeting

To: Center City Development Corporation (CCDC)
From: DMC Staff
Date: May 10, 2023
RE: Exterior Improvement Grant Request – 156 Lt. George Lee Ave (ESCO Restaurant)

The enclosed Exterior Improvement Grant application has been submitted for consideration at the May 17, 2023, CCDC Board Meeting.

Project: 156 Lt. George Lee Ave.

Applicant: Mowbray Rowand & Dundalan Sain
Rowand Restaurants, LLC
156 Lt. George Lee Ave
Memphis, TN 38103

Property Owner: 200 Second Owner, LLC
200 South Second Street
Memphis, TN 38103

Applicant’s Request: Exterior Improvement Grant in an amount up to \$60,000.

Project Description: The subject property is a longtime restaurant bay vacancy in the 200 South Second parking garage—a block from the FedEx Forum and Beale Street. Its proximity to the Westin makes for easy access for VIP clientele.

Mowbray and Dundalan of Rowand Restaurants, LLC have led a renovation of the large interior space to create an upscale restaurant and lounge. Additionally, they plan to include a robust outdoor patio for added seating and activity.

ESCO Restaurant & Tapas is an upscale restaurant and lounge with American comfort food, tapas, clever cocktails, and hookah. The concept was developed by Tauheed “2-Chains” Epps and Mychel “Snoop” Dillard in Atlanta with franchises established in several cities nationwide.

The exterior scope of work to realize the luxurious space will include repair and cosmetic improvements that would not only provide enjoyable outdoor seating space for patrons but also enhance the pedestrian experience. These include:

- Replacing the existing storefront with modern anodized aluminum storefront system that mimics the original rhythm
- Installing a new 10' glass door pair at the entrance
- Replacing existing windows with large storefront windows looking onto the patio
- Installing a new sheet metal with routed design fence system with gate to enclose the patio space
- Installing a new sheet metal with routed design railing system along the ramp and stairs leading to the entrance
- Installing a metal pergola with louvers over the patio footprint
- Adding patio furniture—outdoor couches, tables, metal box planters, and fire pits
- Adding LED strip lighting to the pergola and wall mounted lighting sconces
- Installing a custom neon sign

EIG Budget:

The Exterior Improvement Grant (EIG) is designed to help Downtown commercial property owners make high-quality improvements to the exteriors of Downtown buildings. These improvements help businesses draw customers by enhancing curb appeal, increase walkability by adding street-level interest, and increase neighborhood property values.

The Exterior Improvement Grant is for exterior work only and requires a 1 to 1 match from the applicant. The maximum grant for this location (Downtown Core) is \$60,000.

The following describes the estimated project budget:

Sources:

Owner's Equity	\$ 205,243	(77%)
CCDC EIG	\$ 60,000	(23%)
Total Sources	\$ 265,243	(100%)

Uses:

New modern storefront system	\$ 80,945	(31%)
New 10" glass front doors	\$ 31,468	(12%)
Metal kick plate with wood support	\$ 28,500	(11%)
New 1/2" glass gate - patio	\$ 25,835	(10%)
Panoramic windows	\$ 21,434	(8%)
New 1/2" glass railing systems - entrance	\$ 19,662	(7%)
Pergola	\$ 19,415	(7%)

Outdoor furniture	\$ 10,816	(4%)
Neon sign	\$ 9,120	(3%)
Lighting	\$ 8,280	(3%)
Landscaping containers	\$ 5,375	(2%)
Greenery	\$ 4,393	(2%)
Total Uses	\$ 265,243	(100%)

Design Review: The applicant will submit design plans to the DRB in the coming months.

EBO Program: Any project that is awarded financial incentives from the Downtown Memphis Commission (DMC) shall include a best faith effort to reach no less than 25% participation by minority and/or women owned businesses (MWBE) in the project's development cost (design and construction hard costs). Compliance with this Equal Business Opportunity (EBO) Program is a closing requirement. **If the requirements of the EBO Program are not met, the CCDC will cancel the incentive.**

Outreach & Inclusion Plan: The specific steps required for each applicant to be compliant with the DMC's EBO Program takes into consideration the size, scope of work, and development costs associated with the project. At the time of incentive application, it is typically too early to identify specific contractors or sub-contractors that will ultimately be involved in the construction. However, the applicant has a clear understanding of the EBO Program and has worked with DMC staff to identify the following key steps that will be included in their Outreach & Inclusion Plan:

- The applicant will meet and coordinate with minority-owned business assistance organizations such as the Memphis Area Minority Contractors Association (MAMCA) and the Mid-South Minority Business Council Continuum (MMBC) to make their members aware of the project and any contracting and sub-contracting opportunities.
- The applicant will use the City of Memphis Business Diversity & Compliance Registry and the resources at the Shelby County Office of Equal Opportunity Compliance to identify qualified subcontractors and other tradespeople to perform the needed work.
- The applicant will advertise and host a pre-bid conference to allow MWBE subcontractors an opportunity to ask

questions and learn more about the job opportunity. DMC staff will be invited to attend the pre-bid conference to observe.

- The applicant will contact a minimum of 3 certified MWBE businesses for each trade or type of subcontractor needed, and provide each a fair opportunity to submit a bid and be considered for the work.
- Once the service providers have been identified, the applicant will submit the form titled “Proposed Utilization Plan” to DMC staff for review and approval. The applicant will also be asked to provide a full record of the outreach steps taken and the results thus far. This documentation can include items such as a phone call log, copies of emails, meeting notes, and pre-bid conference attendance sheet.
- After construction has started, the applicant will provide monthly updates to DMC staff detailing the project status and level of MWBE involvement at each major phase of the project.

Minimum MWBE Goal: With an estimated exterior budget of \$265,243, a 25% level of MWBE inclusion for that work is approximately **\$66,331**.

Staff Evaluation: The DMC’s Strategic Plan encourages facilitating and accelerating real estate development, incentivizing Downtown development when necessary to increase investment and economic development, and fighting blight to improve the visual appearance of the built environment Downtown.

DMC staff supports this grant application to establish an attractive restaurant in the Downtown core in a long time vacancy. The proximity to entertainment centers and venues will allow for synergy and support sustained foot traffic on this less-travelled street.

The ample outdoor dining space that will complement the robust renovation of this restaurant is in keeping with the goals of the Exterior Improvement Grant (EIG) to support improvements that are above and beyond the baseline and have spillover benefits for the area where they are located. The added activity on this street will create a comfortable pedestrian experience for the patron of our city’s entertainment destinations.

Recommendation:

Staff recommends approval of an Exterior Improvement Grant in an amount up to \$60,000 based on approved receipts and subject to all standard closing requirements and conditions.